

# **FISCAL NOTE**

## **HB 2913 - SB 2960**

February 13, 2002

### **SUMMARY OF BILL:**

- Amends TCA Title 67, Chapter 1, Part 1 by adding a new section that requires all persons and entities subject to any tax administered by the commissioner of revenue to keep and preserve suitable records from which the taxpayer and the commissioner can determine the tax liability, if any.
- Requires all such records, in whatever paper, electronic, or other form they are maintained to be open to examination at all reasonable hours to the commissioner or any authorized agents of the commissioner.
- Requires the taxpayer to comply with reasonable requests by the commissioner or the commissioner's authorized agents to produce its records in a form and manner that can be utilized by the department.
- Provides that any taxpayer who fails to comply with the provisions of this section shall be assessed taxes plus any applicable penalty and interest based on the best information available to the department and the burden shall be on the taxpayer to show by clear and cogent evidence that the assessment is incorrect. In addition, notwithstanding any provision of law to the contrary, a taxpayer in violation of this section, in addition to all other applicable penalties, shall be assessed a record-keeping noncompliance penalty of 10% of any taxed assessed under the provisions of this subsection.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Revenues - Not Significant**

Estimate assumes:

- most taxpayers would be able to produce the documents requested by the department in the case of an audit.
- the total increase in state revenues is unable to be determined but is estimated to be not significant.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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